

SENATE BILL REPORT

ESHB 1939

As of March 20, 2009

Title: An act relating to vehicle dealer documentary service fees.

Brief Description: Concerning vehicle dealer documentary service fees.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Takko, Armstrong, Morris, Springer, Eddy, Wood, Warnick, Ericksen, Sells, Kenney, Simpson, Moeller, Ormsby and Wallace).

Brief History: Passed House: 3/09/09, 73-22.

Committee Activity: Transportation: 3/25/09.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Wendy Malkin (786-7434)

Background: Under current law, car dealers may charge a documentary service fee of \$50 or less per vehicle sale or lease to recover administrative costs. Administrative costs include collecting motor vehicle excise taxes and licensing and registration fees; verifying and clearing titles; transferring titles; and perfecting, satisfying, or releasing liens. A dealer can charge the documentary service fee under the following conditions: the dealer must disclose the fee in writing to a prospective purchaser or lessee; the dealer cannot represent that the fee is required by the state; the dealer must separately designate the fee from the selling price and other charges; and the dealer must disclose the fee in advertisements as an addition to the selling price.

Summary of Bill: Car dealers may charge a documentary service fee of \$150 or less through June 30, 2014. After this date, car dealers may charge a documentary service of up to \$50. In addition to meeting the conditions under current law, the dealer must disclose to the purchaser or lessee in writing that the fee is a negotiable fee. The disclosure must be in typeface that is at least as large as the typeface used in the standard text of the document that contains the disclosure, and the disclosure must be bold faced, capitalized, underlined, or otherwise set out from the surrounding material.

Appropriation: None.

Fiscal Note: Available.

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Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.